

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-09 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04  
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00  
OMB-01 /106 R

DRAFTED BY EB/OT/TA:RAMEYER:JVM  
APPROVED BY EB/OT:SAHMAD  
EA/J:MR. COCHRAN  
COMMERCE: MR. BUSINGER  
STR: MR. LAPP  
STR: MR. KELLY  
TREASURY: MR. WARTHIN  
EB/ORF/ISM: MR. MARTIN

-----035573 081731Z /53

R 081412Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO  
INFO USMISSION GENEVA

UNCLAS STATE 186053

E.O. 11652: N/A

TAGS: ETRD, JA, GATT

SUBJECT: FERTILIZER

REFS: (A) STATE 159638, (B) TOKYO 11117

1. EMBASSY IS CORRECT IN PREDICTING THAT USG WOULD NOT  
BE CONVINCED BY MITI'S ARGUMENTS (REFTEL B). YOU ARE  
REQUESTED TO CONVEY THE FOLLOWING AIDE MEMOIRE TO  
APPROPRIATE GOJ OFFICIALS:

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BEGIN TEXT:

THE GOVERNMENT OF THE UNITED STATES WISHES TO DRAW  
THE ATTENTION OF THE GOVERNMENT OF JAPAN TO REPORTS,  
SUBSEQUENTLY CONFIRMED IN CONVERSATIONS BETWEEN THE  
AMERICAN EMBASSY AND THE MINISTRY OF INTERNATIONAL  
TRADE AND INDUSTRY (MITI), THAT JAPANESE IMPORTERS

OF AMMONIUM PHOSPHATE AND PHOSPHORIC ACID HAVE AGREED TO LIMIT THEIR FOREIGN PURCHASES OF THESE PRODUCTS TO BETWEEN TEN AND TWENTY PERCENT OF JAPANESE DOMESTIC CONSUMPTION. IMPORTS OF PHOSPHATE ROCK, THE RAW MATERIAL FROM WHICH THESE INTERMEDIATES ARE MADE, ARE TO BE CORRESPONDINGLY INCREASED. ACCORDING TO MITI, THE IMPORTERS AGREED TO LIMIT THEIR IMPORTS OF AMMONIUM PHOSPHATE AND PHOSPHORIC ACID AFTER MITI OFFICIALS EXPLAINED TO THEM THAT DOMESTIC MANUFACTURERS OF THESE PRODUCTS WERE BECOMING INCREASINGLY UNCOMPETITIVE, AND THAT THE DOMESTIC INDUSTRY MUST BE PROTECTED SO THAT FUTURE SHORTAGES OF FERTILIZER CAN BE PREVENTED. MITI CONTENTS THAT THEIR ACTION IN THIS MATTER DOES NOT CONSTITUTE A TRADE RESTRICTION BECAUSE NO "OFFICIAL" RESTRAINTS HAVE BEEN INSTITUTED BY THE JAPANESE GOVERNMENT.

THE UNITED STATES GOVERNMENT DOES NOT AGREE WITH MITI'S INTERPRETATION OF THEIR ACTION. IN OUR VIEW, IT IS MOST UNLIKELY THAT THE IMPORTERS WOULD HAVE DECIDED TO RESTRAIN IMPORTS IF MITI HAD NOT CONTACTED THEM REGARDING THE SITUATION IN THE DOMESTIC INDUSTRY. THE PATTERN OF MITI'S BEHAVIOR IN THIS MATTER MAKES CLEAR THAT DELIBERATE ACTION WAS TAKEN BY THE JAPANESE GOVERNMENT WITH A VIEW TOWARD INFLUENCING THE DECISIONS OF THE IMPORTERS. WE THEREFORE CONSIDER UNCLASSIFIED

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THE IMPORT RESTRAINT TO BE THE RESULT OF "OFFICIAL ACTION".

THE JAPANESE TARIFF RATES ON AMMONIUM PHOSPHATE AND PHOSPHORIC ACID ARE BOUND IN THE GATT. WE ARE CLOSELY MONITORING THE SITUATION AND ARE CONSIDERING APPROPRIATE ACTION TO SAFEGUARD OUR RIGHTS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE.

END TEXT.

2. EMBASSY MAY ALSO WISH TO INQUIRE WHETHER AN INFORMAL AGREEMENT BY IMPORTERS TO RESTRICT PURCHASES ABROAD, SUPPOSEDLY WITHOUT "OFFICIAL" GOVERNMENT SANCTION, DOES NOT RUN AFOUL OF THE FAIR TRADE ACT. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT REACTIONS, IMPORT CONTROLS, PHOSPHATES, FERTILIZERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Aug-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Document Unique ID:** 00  
**Drafter:** RAMEYER:JVM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770284-1038  
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**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770885/aaaactvw.tel  
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**Litigation History:**  
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**Message ID:** 9e15dd5f-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 159638, 77 TOKYO 11117  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 22-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1673303  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FERTILIZER  
**TAGS:** ETRD, JA, US, GATT  
**To:** TOKYO  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/9e15dd5f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
22 May 2009  
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